

HOUSE BILL NO. 584

INTRODUCED BY HARRIS, BECKER, BERGREN, BIXBY, BRANAE, CAMPBELL, COONEY, DICKENSON,
DOWELL, DRISCOLL, EATON, FACEY, FRANKLIN, FUREY, GALLIK, GILLAN, GOLIE, GRINDE,
GROESBECK, GUTSCHE, HAMILTON, HAWKS, HENDRICK, HENRY, JACOBSON, JENT, JOPEK,
KEANE, LASLOVICH, LENHART, LINDEEN, MAEDJE, MATTHEWS, MCALPIN, MUSGROVE, NOONAN,
PARKER, SMALL-EASTMAN, SONJU, STAHL, TESTER, TOOLE, VILLA, WANZENRIED, WARDEN,
WILLIAMS, WILSON, WINDHAM, WINDY BOY, WISEMAN

BY REQUEST OF THE GOVERNOR

A BILL FOR AN ACT ENTITLED: "AN ACT CREATING THE BIG SKY ON THE BIG SCREEN ACT;
PROMOTING THE MOTION PICTURE AND TELEVISION INDUSTRIES AND RELATED MEDIA IN MONTANA
BY PROVIDING ~~TAX~~ TAX INCENTIVES FOR FILMING AND FOR DEVELOPING ~~PRINT~~ MAGAZINE
ADVERTISING IN MONTANA; PROVIDING DEFINITIONS; ALLOWING A PRODUCTION COMPANY A ~~TAX~~
TAX CREDIT FOR EMPLOYING MONTANA RESIDENTS; ALLOWING A PRODUCTION COMPANY A ~~TAX~~
TAX CREDIT FOR QUALIFYING EXPENDITURES MADE IN MONTANA; REQUIRING A PRODUCTION
COMPANY TO APPLY TO THE DEPARTMENT OF COMMERCE FOR STATE CERTIFICATION OF A
PRODUCTION IN ORDER TO QUALIFY FOR THE ~~TAX~~ TAX CREDITS; REQUIRING AN APPLICATION AND
AN APPLICATION FEE FOR A PRODUCTION COMPANY TO CLAIM ~~TAX~~ TAX CREDITS FOR A
STATE-CERTIFIED PRODUCTION; REQUIRING THAT THE APPLICATION FEE BE USED FOR
ADMINISTERING THE ~~TAX~~ TAX CREDITS; LIMITING THE ~~TAX~~ TAX CREDITS THAT MAY BE CLAIMED FOR
A STATE CERTIFIED PRODUCTION; PROVIDING FOR THE ADMINISTRATION OF THE ~~TAX~~ TAX CREDITS;
PROVIDING A STATUTORY APPROPRIATION; AMENDING SECTION 17-7-502, MCA; AND PROVIDING AN
IMMEDIATE EFFECTIVE DATE, APPLICABILITY DATES, AND A TERMINATION DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1. Short title.** [Sections 1 through 11] may be cited as the "Big Sky on the
Big Screen Act".

NEW SECTION. **Section 2. Purpose.** (1) The purposes of [sections 1 through 11] are to enhance

Montana's economy by revitalizing and expanding the motion picture and television industries and related media in Montana and to promote the growth of small businesses. The objectives of [sections 1 through 11] are to:

(a) renew interest in Montana as a premier location for the production of motion pictures, documentaries, television programs and commercials, and ~~print~~ MAGAZINE advertising;

(b) encourage the creation of jobs that pay well for Montana workers and university graduates;

(c) enhance the growth of Montana businesses that provide goods and services for these types of productions; and

(d) help promote the tourism industry in Montana.

(2) The objectives in subsection (1) will best be achieved by offering ~~tax~~ TAX incentives to production companies for hiring Montana residents and for purchasing Montana goods and services.

NEW SECTION. Section 3. Definitions. As used in [sections 1 through 11], unless the context requires otherwise, the following definitions apply:

(1) "Compensation" means salary, wages, or other compensation, including related benefits paid to a Montana resident.

(2) (a) "Production" means a nationally or regionally distributed feature-length film, short film, documentary, ~~television~~ TELEVISION series or segment, television pilot, ~~print~~ MAGAZINE advertising, OTHER THAN ADVERTISING FOR TOBACCO PRODUCTS, or commercial made in Montana, in whole or in part, for theatrical, television, video, internet, or other viewing.

(b) The term does not include the production of television coverage of news and athletic events or a film, video, internet production, television series, ~~print~~ MAGAZINE advertising, or commercial that:

(i) contains any obscene material or performance as described in 45-8-201(2); OR

(ii) IS PRODUCED IN WHOLE OR IN PART WITH MONEY RECEIVED FOR TOBACCO PRODUCT PLACEMENT, ADVERTISEMENT, OR OTHER TOBACCO USE IN THE PRODUCTION.

(3) (a) "Production company" means a company engaged in the business of producing nationally or regionally distributed productions.

(b) The term does not include a company owned, affiliated, or controlled by, in whole or in part, a company or person that is in default on a loan made by this state or a loan guaranteed by this state or a company or person that has filed for bankruptcy.

(4) (a) "Qualified expenditures" means expenditures in Montana made by a production company that

are directly related to a state-certified production. The term includes expenditures for lodging expenses, restaurant and food expenses, location fees, lumber and construction materials, rental of production equipment and vehicles, and supplies and materials that will be used in the production.

(b) The term does not include expenditures made for goods and services obtained out of state.

(5) "Resident" or "Montana resident", for the purpose of determining eligibility for the ~~tax~~ TAX credit provided under [section 7], has the meaning provided in 15-30-101.

(6) "State-certified production" means a production certified by the department of commerce as provided in [section 4] and produced by a production company that has a national or regional distribution plan, including but not limited to a major theatrical exhibition, film festival, ~~television~~ TELEVISION network, cable television programming, ~~print~~ MAGAZINE advertising, or video or internet distribution.

NEW SECTION. Section 4. Application for state certification -- approval -- revocation -- eligibility for ~~tax~~ PAYMENT OF TAX credits -- rules. (1) A production company may not receive the ~~tax~~ TAX credits allowed under [sections 7 and 8] unless the production has been certified by the department of commerce, as provided in this section, and has applied to the department of revenue for ~~PAYMENT OF~~ the ~~tax~~ TAX credits as provided in [section 6]. The certification by the department of commerce must occur within 30 days after submission of the application under this section.

(2) An application, on a form provided by the department of commerce, must be submitted by the production company to the department of commerce before the ~~completion~~ START of principal photography. The application must include:

(a) the production company's name, PRIMARY HOME ADDRESS, business address, telephone and fax numbers, incorporation information, and federal tax identification number;

(b) the address and telephone and fax numbers of the production company's Montana office;

(c) the name of the line producer, unit production manager, or production accountant or the names of all three;

(d) a statement that the applicant meets the definition of a production company under [section 3];

(e) the title of the production;

(f) the type of production;

(g) the proposed dates of production from preproduction to THE START AND completion of principal photography;

- (h) a copy or synopsis of the production script;
- (i) a list of the production locations; ~~and~~
- (j) a statement that the proposed production;
- (i) does not contain any material or performance that would be considered obscene under 45-8-201(2);

OR

(ii) WILL NOT RECEIVE ANY MONEY FOR TOBACCO PRODUCT PLACEMENT, ADVERTISEMENT, OR OTHER TOBACCO USE IN THE PRODUCTION; AND

(k) IF THE PRODUCTION IS A FEATURE-LENGTH FILM, A STATEMENT THAT THE PRODUCTION WILL INCLUDE A LINE IN THE PRODUCTION'S FILM CREDITS THAT THE PRODUCTION WAS FILMED IN MONTANA.

(3) The application must be signed by the manager, agent, president, vice president, or other person authorized to represent the production company.

(4) (a) The department of commerce shall notify the applicant within 30 days of receipt as to whether the production qualifies as a state-certified production.

(b) (i) IF SUBJECT TO SUBSECTION (4)(B)(II), IF the department of commerce approves the application, it shall provide a certification number to the applicant and notify the department of revenue of the approval and certification number ~~AND THE MAXIMUM AMOUNT OF CREDITS FOR WHICH THE CREDIT MAY BE CLAIMED.~~

(ii) IF THE PRODUCTION IS A FEATURE-LENGTH FILM, THE PRODUCTION COMPANY AND THE DEPARTMENT OF COMMERCE, PRIOR TO THE ISSUANCE OF THE CERTIFICATION NUMBER, SHALL ENTER INTO AN AGREEMENT THAT THE PRODUCTION COMPANY WILL COMPLY WITH THE PROVISIONS OF SUBSECTION (2)(K). THE AGREEMENT MAY PROVIDE FOR REMEDIES IF THE PRODUCTION COMPANY VIOLATES THE AGREEMENT.

~~(c) If the department of commerce denies the application, the production company has the right to a hearing under Title 2, chapter 4, part 6.~~

(5) If the department of commerce determines that the production company has violated the provisions of subsection (2)(d) or (2)(j), the department of commerce may revoke the state certification of the production. If the department of commerce revokes the state certification, the department of commerce shall notify the department of revenue. The production company has the right to a hearing under Title 2, chapter 4, part 6.

(6) The department of commerce shall prescribe rules, including a procedure for review of that department's denial or revocation of state certification, necessary to carry out the provisions of this section.

NEW SECTION. Section 5. Submission of costs — ~~DETERMINATION OF CREDITS ALLOWED — STATUTORY~~

APPROPRIATION. ~~(1)~~ Within 60 days of completion of principal photography, the production company shall submit a statement of all expenditures and compensation paid to Montana residents to the department of commerce.

~~(2) WITHIN 90 DAYS AFTER SUBMISSION OF THE STATEMENT OF EXPENDITURES AND COMPENSATION, THE DEPARTMENT SHALL NOTIFY THE PRODUCTION COMPANY OF THE AMOUNT OF CREDIT THAT MAY BE CLAIMED AND THE CALENDAR YEAR IN WHICH PAYMENT MAY BE CLAIMED.~~

~~(3) (A) SUBJECT TO [SECTION 17] AND SUBSECTION (3)(B) OF THIS SECTION, FOR FISCAL YEAR:~~

~~(i) 2006, \$950,000 IS STATUTORILY APPROPRIATED, AS PROVIDED IN 17-7-502, TO THE DEPARTMENT TO PAY THE CREDITS PROVIDED IN [SECTIONS 7 AND 8] THAT ARE APPROVED BY THE DEPARTMENT FOR PAYMENT DURING CALENDAR YEARS 2005 AND 2006;~~

~~(ii) 2007, \$1.5 MILLION AND ANY AMOUNT PROVIDED IN SUBSECTION (3)(A)(i) THAT IS NOT PAID IN CREDITS DURING CALENDAR YEARS 2005 AND 2006 ARE STATUTORILY APPROPRIATED, AS PROVIDED IN 17-7-502, TO THE DEPARTMENT TO PAY THE CREDITS PROVIDED IN [SECTIONS 7 AND 8] THAT ARE APPROVED BY THE DEPARTMENT FOR PAYMENT DURING CALENDAR YEARS 2007 AND 2008;~~

~~(iii) 2008, \$1.5 MILLION AND ANY AMOUNT PROVIDED IN SUBSECTION (3)(A)(ii) THAT IS NOT PAID IN CREDITS DURING CALENDAR YEARS 2007 AND 2008 ARE STATUTORILY APPROPRIATED, AS PROVIDED IN 17-7-502, TO THE DEPARTMENT TO PAY THE CREDITS PROVIDED IN [SECTIONS 7 AND 8] THAT ARE APPROVED BY THE DEPARTMENT FOR PAYMENT DURING CALENDAR YEARS 2008 AND 2009; AND~~

~~(iv) 2009, \$1.5 MILLION AND ANY AMOUNT PROVIDED IN SUBSECTION (3)(A)(iii) THAT IS NOT PAID IN CREDITS DURING CALENDAR YEARS 2008 AND 2009 ARE STATUTORILY APPROPRIATED, AS PROVIDED IN 17-7-502, TO THE DEPARTMENT TO PAY THE CREDITS PROVIDED IN [SECTIONS 7 AND 8] THAT ARE APPROVED BY THE DEPARTMENT FOR PAYMENT DURING CALENDAR YEARS 2009 AND 2010.~~

~~(B) IF ANY PART OF [SECTIONS 1 THROUGH 11] IS CHALLENGED AS UNCONSTITUTIONAL OR INVALID, THE AMOUNT OF ANY CREDIT THAT MAY BE PAID WHILE THE CHALLENGE IS PENDING IS \$0. ON ANY FINAL DETERMINATION THAT ANY PART OF [SECTIONS 1 THROUGH 11] IS UNCONSTITUTIONAL OR INVALID, THE STATUTORY APPROPRIATIONS PROVIDED IN THIS SECTION ARE VOID.~~

NEW SECTION. Section 6. Application for tax TAX credit -- fee. (1) To receive the tax TAX credits under [sections 7 and 8] for a state-certified production, a production company shall apply to the department FOR PAYMENT OF COSTS on a form prescribed by the department. The form must be accompanied by an application fee. The application must be made and the fee paid at the time the production company files its tax return WITHIN

~~60 DAYS OF COMPLETION OF PRINCIPAL PHOTOGRAPHY AT THE TIME THE PRODUCTION COMPANY FILES ITS TAX RETURN.~~

(2) The application fee is determined as follows:

(a) if the total compensation paid to Montana residents for the production is less than or equal to \$30,000, the application fee is \$500;

(b) if the total compensation paid to Montana residents for the production is more than \$30,000, the application fee is \$75 for each resident employed by the production company; or

(c) if the production company is applying only for the ~~PAYMENT OF THE~~ qualified expenditure ~~tax~~ TAX credit, the application fee is \$500.

(3) The fee must be deposited in the state special revenue account. The fee is statutorily appropriated, as provided in 17-7-502, IN EQUAL AMOUNTS to the department of revenue AND THE DEPARTMENT OF COMMERCE to administer the provisions of [sections 6 through 11].

NEW SECTION. Section 7. Employment production tax ~~TAX~~ credit --severability. (1) Subject to ~~[section SECTIONS 5 AND SECTION 9]~~, a production company that has submitted an application for ~~PAYMENT OF a~~ tax ~~TAX~~ credit and paid the fee as required under [section 6] ~~is allowed a tax~~ WILL BE PAID THE IS ALLOWED A TAX credit ~~against the taxes imposed by chapter 30 or 31~~ PROVIDED IN THIS SECTION ~~AGAINST THE TAXES IMPOSED BY CHAPTER 30 OR 31~~ for the employment of residents of this state in connection with a state-certified production in the state. ~~Except as provided in subsection (4)(b), the credit is equal to credit carryovers and the credit for the tax year.~~ EXCEPT AS PROVIDED IN SUBSECTION (4)(B), THE CREDIT IS EQUAL TO CREDIT CARRYOVERS AND THE CREDIT FOR THE TAX YEAR.

(2) The aggregate of the credit allowed under this section for a production occurring in the PRODUCTION COMPANY'S tax year is equal to the ~~LESSER OF THE~~ sum of ~~15% 10% 14% 12%~~ of the first \$50,000 or less of actual compensation paid to each Montana resident employed in connection with the state-certified production during the tax year ~~OR THE AMOUNT APPROVED BY THE DEPARTMENT AS PROVIDED IN [SECTION 5]~~.

(3) The ~~taxpayer~~ PRODUCTION COMPANY TAXPAYER is required to provide to the department, on a form prescribed by the department, A LIST OF ALL CAST AND CREW PARTICIPATING IN THE PRODUCTION AND the amount of compensation paid to each Montana resident. The form returned by the ~~taxpayer~~ PRODUCTION COMPANY TAXPAYER must include the certification number provided for in [section 4].

~~(4) If the credit exceeds the taxpayer's tax liability, the taxpayer shall make a one-time election to claim the credit for each state-certified production allowed under this section as follows:~~

~~_____ (a) the credit may be refunded; or~~

~~_____ (b) the credit may be carried forward against the taxes imposed by chapter 30 or 31 for the 4
succeeding tax years. However, the credit may not be carried forward to the extent that the credit in the tax year
that the credit is received exceeds the limitation under [section 9].~~

~~_____ (5) A C. corporation, an individual, a small business AN S. corporation, OR a partnership, a limited liability
partnership, or a limited liability company qualifies for the credit under this section. If the credit is claimed by a
small business AN S. corporation, OR a partnership, a limited liability partnership, or a limited liability company,
the credit must be attributed to the individual shareholders, partners, OR members, or managers in the same
proportion used to report income or loss for state tax purposes.~~

(4) IF THE CREDIT EXCEEDS THE TAXPAYER'S TAX LIABILITY, THE TAXPAYER SHALL MAKE A ONE-TIME ELECTION
TO CLAIM THE CREDIT FOR EACH STATE-CERTIFIED PRODUCTION ALLOWED UNDER THIS SECTION AS FOLLOWS:

(A) THE CREDIT MAY BE REFUNDED; OR

(B) THE CREDIT MAY BE CARRIED FORWARD AGAINST THE TAXES IMPOSED BY CHAPTER 30 OR 31 FOR THE 4
SUCCEEDING TAX YEARS. HOWEVER, THE CREDIT MAY NOT BE CARRIED FORWARD TO THE EXTENT THAT THE CREDIT IN
THE TAX YEAR THAT THE CREDIT IS RECEIVED EXCEEDS THE LIMITATION UNDER [SECTION 9].

(5) A C. CORPORATION, AN INDIVIDUAL, AN S. CORPORATION, OR A PARTNERSHIP QUALIFIES FOR THE CREDIT
UNDER THIS SECTION. IF THE CREDIT IS CLAIMED BY AN S. CORPORATION OR A PARTNERSHIP, THE CREDIT MUST BE
ATTRIBUTED TO THE SHAREHOLDERS, PARTNERS, OR MEMBERS IN THE SAME PROPORTION USED TO REPORT INCOME OR
LOSS FOR STATE TAX PURPOSES.

~~(6)(4)(6) The credit allowed under this section may not be claimed by a taxpayer PRODUCTION COMPANY
TAXPAYER if the taxpayer PRODUCTION COMPANY TAXPAYER has included the amount of the compensation upon
which the amount of the credit was computed as a deduction under 15-30-121 or 15-31-114. A PRODUCTION
COMPANY THAT CLAIMS A CREDIT UNDER THIS SECTION MAY NOT CLAIM A DEDUCTION UNDER 15-30-121 OR 15-31-114
FOR THE AMOUNT OF COMPENSATION UPON WHICH THE AMOUNT OF THE CREDIT WAS COMPUTED.~~

~~(7) If any application of this section is held invalid, this section applies to other situations or persons in
a manner that is not included in the invalid application.~~

(7) IF ANY APPLICATION OF THIS SECTION IS HELD INVALID, THIS SECTION APPLIES TO OTHER SITUATIONS OR
PERSONS IN A MANNER THAT IS NOT INCLUDED IN THE INVALID APPLICATION.

NEW SECTION. Section 8. Tax-credit CREDIT TAX CREDIT for qualified expenditures. (1) Subject to

~~[section SECTIONS 5 AND SECTION 9], a production company that has submitted an application and paid the fee as required under [section 6] is allowed a tax credit against the taxes imposed by chapter 30 or 31, AS PROVIDED IN THIS SECTION, AGAINST THE TAXES IMPOSED BY CHAPTER 30 OR 31 for qualified expenditures in this state made in connection with a state-certified production in the state. The credit allowed under this section is equal to 10% THE LESSER OF 7% 9% 8% of the total qualified expenditures incurred in connection with the state-certified production during the tax year OR THE AMOUNT APPROVED BY THE DEPARTMENT AS PROVIDED IN [SECTION 5].~~

(2) The ~~taxpayer~~ PRODUCTION COMPANY TAXPAYER is required to provide to the department, on a form prescribed by the department, the amount of qualified expenditures. The form returned by the ~~taxpayer~~ PRODUCTION COMPANY TAXPAYER must include the certification number provided for in [section 4]. The ~~taxpayer~~ PRODUCTION COMPANY TAXPAYER shall also provide other information required by the department to verify the accuracy of the qualified expenditures.

~~(3) The credit allowed under this section must be refunded if a taxpayer has tax liability less than the amount of the credit.~~

~~—— (4) A C. corporation, an individual, a small business AN S. corporation, OR a partnership, a limited liability partnership, or a limited liability company qualifies for the credit under this section. If the credit is claimed by a small business AN S. corporation, OR a partnership, a limited liability partnership, or a limited liability company, the credit must be attributed to the individual shareholders, partners, OR members, or managers in the same proportion used to report income or loss for state tax purposes.~~

~~(3) THE CREDIT ALLOWED UNDER THIS SECTION MUST BE REFUNDED IF A TAXPAYER HAS TAX LIABILITY LESS THAN THE AMOUNT OF THE CREDIT.~~

~~(4) A C. CORPORATION, AN INDIVIDUAL, AN S. CORPORATION, OR A PARTNERSHIP QUALIFIES FOR THE CREDIT UNDER THIS SECTION. IF THE CREDIT IS CLAIMED BY AN S. CORPORATION OR A PARTNERSHIP, THE CREDIT MUST BE ATTRIBUTED TO THE SHAREHOLDERS, PARTNERS, OR MEMBERS IN THE SAME PROPORTION USED TO REPORT INCOME OR LOSS FOR STATE TAX PURPOSES.~~

~~(5)(3)(5) The credit allowed under this section may not be claimed by a taxpayer PRODUCTION COMPANY TAXPAYER if the taxpayer PRODUCTION COMPANY TAXPAYER has included the amount of the qualified expenditure upon which the amount of the credit was computed as a deduction under 15-30-121 or 15-31-114. A PRODUCTION COMPANY THAT CLAIMS A CREDIT UNDER THIS SECTION MAY NOT CLAIM A DEDUCTION UNDER 15-30-121 OR 15-31-114 FOR THE AMOUNT OF COMPENSATION UPON WHICH THE AMOUNT OF THE CREDIT WAS COMPUTED.~~

1
2 **NEW SECTION. Section 9. Limitation on amount of credits.** The total amount of the credits ~~allowed~~
3 ~~PAID ALLOWED~~ under [sections 7 and 8] may not exceed \$1 million for each state-certified production. ~~THE TOTAL~~
4 ~~AMOUNT MAY NOT EXCEED THE AMOUNT STATUTORILY APPROPRIATED UNDER [SECTION 5].~~

5
6 **NEW SECTION. Section 10. Denial of claim for ~~PAYMENT OF credit -- recapture REFUND -- INTEREST~~**
7 **~~RECAPTURE.~~** A ~~taxpayer~~ ~~PRODUCTION COMPANY~~ ~~TAXPAYER~~ whose state-certified production has been revoked as
8 provided in [section 4(5)] may not claim ~~PAYMENT FOR~~ the credits allowed under [sections 7 and 8]. If the
9 department of commerce revokes the state certification of a production company after the production company
10 has ~~taken~~ ~~BEEN PAID~~ ~~TAKEN~~ a credit under [section 7 or 8], the production company shall refund the amount of
11 any credits taken ~~WITHIN 60 DAYS~~. ~~The taxpayer is subject to the penalty and interest provisions of this chapter~~
12 ~~IF THE PRODUCTION COMPANY DOES NOT REFUND THE AMOUNT OF ANY CREDIT RECEIVED WITHIN 60 DAYS AFTER THE~~
13 ~~DATE ON WHICH THE DEPARTMENT OF COMMERCE REVOKES THE STATE CERTIFICATION, INTEREST ACCRUES ON THE~~
14 ~~UNPAID BALANCE AT THE RATE OF 12% A YEAR, ACCRUED AT 1% A MONTH, ON THE UNPAID REFUND. THE TAXPAYER IS~~
15 ~~SUBJECT TO THE PENALTY AND INTEREST PROVISIONS OF THIS CHAPTER.~~

16
17 **NEW SECTION. Section 11. Rules.** (1) The department of revenue shall adopt rules that are
18 necessary to implement and administer [sections 6 through 11]. The department shall, in consultation with the
19 department of commerce, develop procedures for determining compensation paid to residents and qualified
20 expenditures for the credits allowed under [sections 7 and 8] and for ~~taxpayer~~ ~~PRODUCTION COMPANY~~ ~~TAXPAYER~~
21 compliance with the provisions of [section 4].

22 (2) The department and the department of commerce shall jointly adopt rules related to the definitions
23 in [section 3].

24
25 **Section 12.** Section 17-7-502, MCA, is amended to read:

26 **"17-7-502. Statutory appropriations -- definition -- requisites for validity.** (1) A statutory
27 appropriation is an appropriation made by permanent law that authorizes spending by a state agency without
28 the need for a biennial legislative appropriation or budget amendment.

29 (2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both
30 of the following provisions:

(a) The law containing the statutory authority must be listed in subsection (3).

(b) The law or portion of the law making a statutory appropriation must specifically state that a statutory appropriation is made as provided in this section.

(3) The following laws are the only laws containing statutory appropriations: 2-15-151; 2-17-105; 5-13-403; 10-3-203; 10-3-310; 10-3-312; 10-3-314; 10-4-301; 15-1-111; 15-1-113; 15-1-121; 15-23-706; ~~section SECTIONS 5 AND SECTION 6~~; 15-35-108; 15-36-332; 15-37-117; 15-38-202; 15-65-121; 15-70-101; 16-11-404; 17-3-106; 17-3-212; 17-3-222; 17-3-241; 17-6-101; 17-7-304; 18-11-112; 19-3-319; 19-9-702; 19-13-604; 19-17-301; 19-18-512; 19-19-305; 19-19-506; 19-20-604; 20-8-107; 20-9-534; 20-9-622; 20-26-1503; 22-3-1004; 23-5-306; 23-5-409; 23-5-612; 23-5-631; 23-7-301; 23-7-402; 37-43-204; 37-51-501; 39-71-503; 42-2-105; 44-12-206; 44-13-102; 50-4-623; 53-1-109; 53-6-703; 53-24-108; 53-24-206; 61-3-415; 69-3-870; 75-1-1101; 75-5-1108; 75-6-214; 75-11-313; 77-2-362; 80-2-222; 80-4-416; 80-5-510; 80-11-518; 82-11-161; 87-1-513; 90-3-1003; 90-6-710; and 90-9-306.

(4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing, paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to Ch. 422, L. 1997, the inclusion of 15-1-111 terminates on July 1, 2008, which is the date that section is repealed; pursuant to sec. 10, Ch. 360, L. 1999, the inclusion of 19-20-604 terminates when the amortization period for the teachers' retirement system's unfunded liability is 10 years or less; pursuant to sec. 4, Ch. 497, L. 1999, the inclusion of 15-38-202 terminates July 1, 2014; pursuant to sec. 10(2), Ch. 10, Sp. L. May 2000, and secs. 2 and 5, Ch. 481, L. 2003, the inclusion of 90-6-710 terminates June 30, 2005; pursuant to sec. 10(2), Ch. 10, Sp. L. May 2000, and secs. 3 and 6, Ch. 481, L. 2003, the inclusion of 15-35-108 terminates June 30, 2010; and pursuant to sec. 135, Ch. 114, L. 2003, the inclusion of 2-15-151 terminates June 30, 2005.)"

NEW SECTION. **Section 13. Codification instruction.** [Sections 1 through 11] are intended to be codified as an integral part of Title 15, ~~chapter 31,~~ CHAPTER 31, and the provisions of Title 15, ~~chapter 31,~~ CHAPTER 31, apply to [sections 1 through 11].

1 ~~NEW SECTION. SECTION 14. NONSEVERABILITY. IT IS THE INTENT OF THE LEGISLATURE THAT EACH PART OF~~
2 ~~[THIS ACT] IS ESSENTIALLY DEPENDENT UPON EVERY OTHER PART, AND IF ONE PART IS HELD UNCONSTITUTIONAL OR~~
3 ~~INVALID, ALL THE OTHER PARTS ARE INVALID.~~

4
5 NEW SECTION. SECTION 14. SEVERABILITY. IF A PART OF [THIS ACT] IS INVALID, ALL VALID PARTS THAT ARE
6 SEVERABLE FROM THE INVALID PART REMAIN IN EFFECT. IF A PART OF [THIS ACT] IS INVALID IN ONE OR MORE OF ITS
7 APPLICATIONS, THE PART REMAINS IN EFFECT IN ALL VALID APPLICATIONS THAT ARE SEVERABLE FROM THE INVALID
8 APPLICATIONS.

9
10 NEW SECTION. Section 15. Effective date. [This act] is effective on passage and approval.

11
12 NEW SECTION. Section 16. Applicability. (1) Except as provided in subsection (2), [this act] applies
13 to state-certified productions approved after [the effective date of this act].

14 (2) [Sections 6 through 10] apply retroactively, within the meaning of 1-2-109, to tax years beginning
15 after December 31, 2004.

16
17 NEW SECTION. Section 17. Termination --carryforward -- CARRYFORWARD. [This act] terminates
18 January 1, 2010, but an ~~unused UNPAID UNUSED~~ credit under [section ~~6 OR~~ 7] may be ~~carried forward for use on~~
19 ~~CLAIMED WITH~~ CARRIED FORWARD FOR USE ON returns for tax years ~~beginning~~ ~~ENDING~~ BEGINNING before January
20 1, ~~2014 2010 2014~~, subject to use, limitations on the amount of the credit, ~~carryforward~~, CARRYFORWARD, and
21 ~~recapture~~ ~~REFUND~~ RECAPTURE provisions of the credit effective on December 31, 2009.

22 - END -